

Message Text

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PAGE 01 STATE 173157
ORIGIN EB-08

INFO OCT-01 EUR-12 ISO-00 AGRE-00 PA-02 PRS-01 USIA-15
COME-00 STR-04 /043 R

DRAFTED BY EB/ICD/TRP:DBURNS:CB
APPROVED BY EB/ICD/TRP:DBURNS
-----067860 251635Z /47

P 251512Z JUL 77
FM SECSTATE WASHDC
TO AMEMBASSY LONDON PRIORITY

UNCLAS STATE 173157

E.O. 11652: N/A

TAGS: EAGR, ETRD

SUBJECT: SUGAR

JULY 25, JOURNAL OF COMMERCE HAS FOLLOWING ARTICLE HEADLINED
QUOTE HOUSE VOTES SUGAR PRICE SUPPORT PLAN UNQUOTE BY
RICHARD LAWRENCE.

BEGIN TEXT: THE GOVERNMENT'S QUEST FOR A VIABLE U.S. SUGAR
POLICY TOOK ANOTHER TURN AT THE WEEKEND, AS THE HOUSE
APPROVED A NEW SUGAR PRICE SUPPORT PROPOSAL.

THE PROPOSAL WOULD GUARANTEE U.S. SUGAR GROWERS A RETURN
EQUAL TO 55 TO 65 PER CENT OF PARITY, WHICH AMOUNTS TO A
FLOOR OF 14.3 CENTS A POUND. IMPLICIT IN THE PROPOSAL
ARE NEW SUGAR IMPORT CURBS, EITHER QUOTAS OR A VARIABLE
LEVY.

NO OPPOSITION: SURPRISINGLY, THE CARTER ADMINISTRATION
LET THE PROPOSAL PASS FRIDAY WITHOUT A FIGHT, EVEN THOUGH
EARLIER IN THE WEEK IT HAD ASKED CONGRESS TO WAIT, AT
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LEAST UNTIL U.S. SUGAR PROBLEMS HAD BEEN FULLY AIRED.

THE ADMINISTRATION, OBSERVERS HERE SPECULATED, WAS
TRYING TO SIGNAL FOREIGN NEGOTIATORS IN LONDON THAT
UNLESS THE WAY IS CLEARED THIS WEEK FOR AN INTERNATIONAL
SUGAR AGREEMENT, THE U.S. WILL INDEED RAISE U.S. PRICES
AND RESTRICT IMPORTS.

REPORTS FROM LONDON INDICATE THAT SO FAR THE TALKS FOR AN INTERNATIONAL SUGAR AGREEMENT ARE MAKING LITTLE PROGRESS. CUBA, WHOSE SUBSIDIZED TRADE WITH THE SOVIET BLOC APPARENTLY REPRESENTS THE BIGGEST OBSTACLE TO THE TALKS, IS DESCRIBED AS STILL A PROBLEM.

BY THIS FIRDAY, AGRICULTURE SECRETARY BOB BERGLAND TOLD REPORTERS HERE, WHETHER AN INTERNATIONAL SUGAR AGREEMENT CAN BE NOGOTIATED WILL BE KNOWN. IF THE LONDON MEETING SUCCEEDS, THE NEGOTIATIONS PROBABLY WOULD BE CONCLUDED THIS FALL.

BUT IF THE LONDON TALKS FAIL, HE WAS WARNED, THE AD-

MINISTRATION WILL HAVE TO CONSIDER A NEW SUGAR PROGRAM, TO HELP GROWERS OVERCOME PRICES HOVERING AROUND 10 CENTS A POUND. IMPORT CURBS, HE SAYS, WILL DEFINITELY BE WEIGHED.

FOREIGN SUGAR SUPPLIERS MAY HAVE BEEN DISCOUNTING MR. BERGLAND'S WARNING AND COOPERATING LESS THAN THE U.S. HAD HOPED IN THE LONDON TALKS. BY LETTING THE HOUSE PRICE SUPPORT PROPOSAL PASS EASILY LAST FRIDAY, THE ADMINISTRATION COULD BE TRYING TO TELL THE FOREIGNERS IT MEANS BUSINESS.

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THE HOUSE PROPOSAL CAME AS AN AMENDMENT TO AN OMNIBUS FARM BILL. IT PROBABLY COULD BE REJECTED BY THE SENATE, UNDER ADMINISTRATION PRODDING.

THE ADMINISTRATION HAD BEEN TRYING TO HELP U.S. SUGAR GROWERS THROUGH PAYMENTS OF TWO CENTS A POUND, AT LEAST UNTIL AN INTERNATIONAL PRICE-STABILIZING AGREEMENT TOOK FORCE. BUT THAT IS NOT ENOUGH, PRODUCERS COMPLAIN, BECAUSE OF THE RECENT SUGAR PRICE DECLINE.

AFTER A CABINET-LEVEL MEETING WEDNESDAY, ADMINISTRATION AIDES HAVE BEEN HINTING THAT THE ADMINISTRATION MIGHT PAY WHATEVER IS NECESSARY TO GIVE GROWERS A 13.5 CENTS A POUND RETURN.

PRESIDENT CARTER HAD SOUGHT TO AVOID TIGHT IMPORT CURBS ON SUGAR, ESPECIALLY AFTER THE RECENT AGREEMENTS LIMITING COLOR TV SETS AND SHOE IMPORTS INTO THE U.S.END TEXT. VANCE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SUGAR, PRESS COMMENTS, PRICES, PRICE INDEXES
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Disposition Approved on Date:
Disposition Case Number: n/a
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Enclosure: n/a
Executive Order: N/A
Errors: N/A
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Line Count: 113
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Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
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Retention: 0
Review Action: RELEASED, APPROVED
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Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1758403
Secure: OPEN
Status: NATIVE
Subject: SUGAR JULY 25, JOURNAL OF COMMERCE HAS FOLLOWING ARTICLE HEADLINED QUOTE HOUSE VOTES SUGAR PRICE SUPPORT PLAN UNQUOTE
TAGS: EAGR, ETRD, SOPN
To: LONDON
Type: TE
vdkgvkey: odbc://SAS/SAS.dbo.SAS_Docs/a7c18264-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009